



DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Proposed Agency Information Collection Activities: Comment Request

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act (PRA) of 1995, the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), have approved the publication for public comment of the proposed Annual Dodd-Frank Act Company-Run Stress Test Report for Depository Institutions and Holding Companies with \$10-\$50 Billion in Total Consolidated Assets (FFIEC 016). This proposed report would combine the agencies' three separate, yet identical, stress test report forms (as described in the **Supplementary Information**), which are currently approved collections of information, into a single new FFIEC report. As part of their proposed adoption of the new FFIEC 016 report, the agencies also are

proposing to implement a limited number of revisions that would align the report with recent burden-reducing changes to the FFIEC 031 and FFIEC 041 Consolidated Reports of Condition and Income and the Board's FR Y-9C Consolidated Financial Statements for Holding Companies. In addition, the agencies are proposing to have institutions provide their Legal Entity Identifier (LEI) on the report form, if they already have one. The proposed FFIEC 016 reporting requirements reflect the company-run stress testing requirements promulgated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (as reflected in the agencies' current information collections).

The Board, in connection with this proposal and conditioned on the final adoption of the FFIEC 016, is proposing to replace the FR Y-16 (Annual Company-Run Stress Test Report For State Member Banks, Bank Holding Companies, and Savings and Loan Holding Companies with Total Consolidated Assets Greater Than \$10 Billion and Less Than \$50 Billion), which it currently uses to collect the annual company-run stress test results. Also in connection with the final adoption of the FFIEC 016, the OCC and the FDIC are proposing to replace the OCC's DFAST 10-50B (Annual Company-Run Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act), and the FDIC's DFAST 10-50 (Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act), respectively, with the FFIEC 016.

The respondents for the proposed FFIEC 016 are institutions with average total consolidated assets of at least \$10 billion, but less than \$50 billion. The proposed FFIEC 016

would take effect for the December 31, 2017, as-of date of the stress test report. The submission deadline for the report would be the following July 31.

At the end of the comment period for this notice, the comments and recommendations received will be reviewed to determine whether the FFIEC and the agencies should modify the proposal for the FFIEC 016 report form before giving final approval. As required by the PRA, the agencies will then publish a second **Federal Register** notice for a 30-day comment period and submit the FFIEC 016 information collection to OMB for review and approval.

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: Because paper mail in the Washington, DC, area and at the OCC is subject to delay, commenters are encouraged to submit comments by email, if possible, to *prainfo@occ.treas.gov*. Alternately, comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: “1557-0311 (FFIEC 016),” 400 7th Street, SW., Suite 3E-218, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326.

You may personally inspect and photocopy comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an

appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Board: You may submit comments, which should refer to “FFIEC 016,” by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Email: regs.comments@federalreserve.gov. Include reporting form number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available from the Board’s website at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or

contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18th and 19th Streets), NW., Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays.

FDIC: You may submit comments, which should refer to “FFIEC 016,” by any of the following methods:

- Agency website: <http://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the FDIC website.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Email: comments@FDIC.gov. Include “FFIEC 016” in the subject line of the message.
- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3007, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

Public Inspection: All comments received will be posted without change to <http://www.fdic.gov/regulations/laws/federal/> including any personal information provided. Comments may be inspected at the FDIC Public Information Center, Room E-1002, 3501 Fairfax Drive, Arlington, VA 22226, between 9:00 a.m. and 5:00 p.m. on business days.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW.,

Washington, DC 20503; by fax to (202) 395-6974; or by email to
oira_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: For further information about the proposed FFIEC report discussed in this notice, please contact any of the agency staff whose names appear below. In addition, a copy of the proposed FFIEC 016 reporting form is available on the FFIEC's website (http://www.ffiec.gov/ffiec_report_forms.htm).

OCC: Kevin Korzeniewski, Counsel, (202) 649-5490 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., Washington, DC 20219.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Room MB-3007, Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The agencies propose to implement the FFIEC 016 report form to replace the following report forms, which are approved collections of information: Board's FR Y-16, Annual Company-Run Stress Test Report For State Member Banks, Bank

Holding Companies, and Savings and Loan Holding Companies with Total Consolidated Assets Greater Than \$10 Billion and Less Than \$50 Billion (OMB Control No. 7100-0356); FDIC's DFAST 10-50, Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act (OMB Control No. 3064-0187); and OCC's DFAST 10-50B, Annual Company-Run Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act (OMB Control No. 1557-0311). These existing report forms collect identical information; however, the respondent institutions for each form vary based on each agency's supervisory jurisdiction.

Report Title: Annual Dodd-Frank Act Company-Run Stress Test Report for Depository Institutions and Holding Companies with \$10-\$50 Billion in Total Consolidated Assets.

Form Number: FFIEC 016.

Frequency of Response: Annually.

Affected Public: Business or other for-profit.

OCC:

OMB Control No.: 1557-0311.

Estimated Number of Respondents: Initial Stress Test: 1 national bank or federal savings association.

Ongoing Annual Stress Test: 36 national banks and federal savings associations.

Estimated Time per Response: Initial Stress Test: 2,000 burden hours per response.

Ongoing Annual Stress Test: 469 burden hours per response.

Estimated Total Annual Burden: Initial Stress Test: 2,000 burden hours to file.

Ongoing Annual Stress Test: 16,884 burden hours to file.

Total: 18,884 burden hours to file.

Board:

OMB Control No.: 7100-0356.

Estimated Number of Respondents: Initial Stress Test: 9 state member banks, bank holding companies, and savings and loan holding companies.

Ongoing Annual Stress Test: 70 state member banks, bank holding companies, and savings and loan holding companies.

Estimated Time per Response: Initial Stress Test: 2,000 burden hours per response.

Ongoing Annual Stress Test: 469 burden hours per response.

Estimated Total Annual Burden: Initial Stress Test: 18,000 burden hours to file.

Ongoing Annual Stress Test: 32,830 burden hours to file.

Total: 50,830 burden hours to file.

FDIC:

OMB Control No.: 3064-0187.

Estimated Number of Respondents: Initial Stress Test: 2 insured state nonmember banks and savings associations.

Ongoing Annual Stress Test: 22 insured state nonmember banks and state savings associations.

Estimated Time per Response: Initial Stress Test: 2,000 burden hours per response.

Ongoing Annual Stress Test: 469 burden hours per response.

Estimated Total Annual Burden: Initial Stress Test: 4,000 burden hours to file.

Ongoing Annual Stress Test: 10,318 burden hours to file.

Total: 14,318 burden hours to file.

Type of Review: OCC and FDIC: Revision and extension of currently approved collections.

Board: Proposal for a new collection of information and discontinuation of a currently approved collection.

General Description of Reports

The proposed FFIEC 016 information collection will be mandatory for institutions with average total consolidated assets of at least \$10 billion, but less than \$50 billion. The FFIEC 016

implements the reporting of the annual company-run stress testing required of such institutions under section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203 (Dodd-Frank Act), and each agency's implementing regulation.¹ All data reported in the proposed FFIEC 016 would be given confidential treatment under 5 U.S.C. 552(b)(8).

Abstract

The FFIEC 016 report would be submitted by institutions supervised by the agencies with average total consolidated assets of at least \$10 billion, but less than \$50 billion, to report their company-run stress test results. These reports collect quantitative projections of balance sheet assets and liabilities, income, losses, and capital across three scenarios (baseline, adverse, and severely adverse) and qualitative information on methodologies used to develop these internal projections.

Data received in the agencies' \$10-\$50 billion annual Dodd-Frank Act company-run stress test reports are used in connection with supervision and regulation of these institutions to form supervisory assessments of the quality of a company's stress-testing process and, overall, as part of the broader assessment of a company's capital adequacy and risk management process. Data collected in these reports provide the agencies with one of many tools available to examiners to assist in the analysis and assessment of a company's capital position and planning process.

¹ 12 CFR part 46 (OCC); 12 CFR part 252, subpart B (Board); 12 CFR part 325, subpart C (FDIC).

Current Actions

I. Discussion of Proposed FFIEC Report Form

Each agency has issued rules applicable to the banking organizations it supervises with total consolidated assets of at least \$10 billion, but less than \$50 billion, that implement the company-run stress testing requirement promulgated by section 165(i)(2) of the Dodd-Frank Act.² Under the agencies' respective rules, institutions that meet this asset threshold are required to conduct, and report the results of, an annual stress test using scenarios provided by the agencies.

The annual as-of date of the stress test report is December 31, and the submission deadline for the report is the following July 31.

Currently, the agencies maintain separate, yet identical, report forms (FR Y-16, FDIC DFAST 10-50, and OCC DFAST 10-50B) for the banks, savings associations, and holding companies they supervise to report these company-run stress test results. These annual reports collect quantitative projections of balance sheet assets and liabilities, income, losses, and capital across a range of macroeconomic and financial scenarios as well as qualitative supporting information on the methodologies and processes used to develop those internal projections. The agencies are proposing to combine these separate data collections and designate the combined report as a uniform FFIEC data collection. As part of their proposed adoption of the new FFIEC 016 report, the agencies also are proposing to change the quantitative and qualitative information currently collected in their separate, yet identical, report forms to implement a limited number of revisions that would align the new report with recent burden-reducing changes

² 12 CFR part 46 (OCC); 12 CFR part 252, subpart B (Board); 12 CFR part 325, subpart C (FDIC).

to the FFIEC 031, FFIEC 041, and the Board's FR Y-9C.³ These revisions are not expected to change the estimated reporting burden for the proposed new FFIEC 016 compared to the estimated reporting burden for the agencies' existing stress test report forms.

The following revisions to the FFIEC 031, FFIEC 041, and FR Y-9C (as applicable) that took effect March 31, 2017, would affect the proposed FFIEC 016:

(1) On the FFIEC 031 and FFIEC 041 Schedule RI, Memorandum item 14.a, and on the FR Y-9C Schedule HI, Memorandum item 17(a), "Total other-than-temporary impairment losses," was removed, but institutions continue to report other-than-temporary impairment losses recognized in earnings on the FFIEC 031 and FFIEC 041 Schedule RI, Memorandum item 14, and the FR Y-9C Schedule HI, Memorandum item 17. The agencies propose for the new FFIEC 016 report form and instructions to replace line item 25, "Total other-than-temporary impairment losses," on each Income Statement scenario schedule with "Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings" as defined in FFIEC 031 and FFIEC 041 Schedule RI, Memorandum item 14, and FR Y-9C Schedule HI, Memorandum item 17.

(2) On the FFIEC 031 and FFIEC 041 Schedule RC-E, Part I, Memorandum items 1.c.(1), "Brokered deposits of less than \$100,000," and 1.c.(2), "Brokered deposits of \$100,000 through \$250,000 and certain brokered retirement deposit accounts," were combined into a single item, Memorandum item 1.c, "Brokered deposits of \$250,000 or less (fully insured brokered deposits)." The agencies propose for the new FFIEC 016 report form and instructions to align its Balance Sheet line items 32 and 33 for retail and wholesale funding calculations,

³ FFIEC 031 and FFIEC 041 Consolidated Reports of Condition and Income (OMB Control Nos.: OCC, 1557-0081; Board, 7100-0036; and FDIC, 3064-0052): See 81 FR 45357 (July 13, 2016) and 82 FR 2444 (January 9, 2017); FR Y-9C Consolidated Financial Statements for Holding Companies (OMB Control No.: Board, 7100-0128): See 81 FR 62129 (September 8, 2016).

respectively, with the updated FFIEC 031 and FFIEC 041 Schedule RC-E, Part I, Memorandum item 1.c, “Brokered deposits of \$250,000 or less (fully insured brokered deposits).”

(3) On Schedule RC-M of the FFIEC 031 and FFIEC 041, items for the amount of loans covered by FDIC loss-sharing agreements in the following loan categories were removed and combined with existing Schedule RC-M, item 13.a.(5), “All other loans and all leases” covered by such agreements: item 13.a.(2), “Loans to finance agricultural production and other loans to farmers”; item 13.a.(3), “Commercial and industrial loans”; item 13.a.(4)(a), “Credit cards”; item 13.a.(4)(b), “Automobile loans”; and item 13.a.(4)(c), “Other (includes revolving credit plans other than credit cards, and other consumer loans).” In order to keep the data collection uniform and comparable across types of reporting institutions, the agencies propose for the new FFIEC 016 report form and instructions to discontinue the deduction of loans covered by FDIC loss-sharing agreements from each of the loan categories collected in Balance Sheet line items 1 through 13. In addition, in the proposed new FFIEC 016 report form, existing Balance Sheet line item 14, “Loans covered by FDIC loss-sharing agreements,” will be retained.

In addition, the agencies are proposing to have reporting institutions provide their LEI on the FFIEC 016 report form, if they have one. The LEI is a 20-digit alpha-numeric code that uniquely identifies entities that engage in financial transactions. The recent financial crisis spurred the development of a Global LEI System (GLEIS). Internationally, regulators and market participants have recognized the importance of the LEI as a key improvement in financial data systems. The Group of Twenty (G-20) nations directed the Financial Stability Board (FSB) to lead the coordination of international regulatory work and deliver concrete recommendations on the GLEIS by mid-2012, which in turn were endorsed by the G-20 later that same year. In January 2013, the LEI Regulatory Oversight Committee (ROC), including participation by

regulators from around the world, was established to oversee the GLEIS on an interim basis. With the establishment of the full Global LEI Foundation in 2014, the ROC continues to review and develop broad policy standards for LEIs. The OCC, the Board, and the FDIC are all members of the ROC.

The LEI system is designed to facilitate several financial stability objectives, including the provision of higher quality and more accurate financial data. In the United States, the Financial Stability Oversight Council (FSOC) has recommended that regulators and market participants continue to work together to improve the quality and comprehensiveness of financial data both nationally and globally. In this regard, the FSOC also has recommended that its member agencies promote the use of the LEI in reporting requirements and rulemakings, where appropriate.⁴

With respect to the FFIEC 016, the agencies are proposing to have reporting institutions provide their LEI on the cover page of this new report once it is implemented, if a reporting institution has an LEI. A reporting institution that does not have an LEI would not be required to obtain one for purposes of reporting it on the FFIEC 016.

The uniform FFIEC 016 report would be collected through the application currently used to collect the agencies' separate stress test reporting forms, the Federal Reserve's Reporting Central application. The agencies believe that developing a uniform report under the FFIEC reporting structure will promote uniform standards and reporting across the agencies, which is consistent with the function of the FFIEC.⁵ The proposed FFIEC 016 information collection would satisfy each agency's company-run stress-testing requirements, while ensuring

⁴ Financial Stability Oversight Council 2015 Annual Report, page 14, <http://www.treasury.gov/initiatives/fsoc/studies-reports/Documents/2015%20FSOC%20Annual%20Report.pdf>.

⁵ See 12 U.S.C. 3305(c).

consistency and comparability of the stress-testing information across institutions. The change from three separate agency-specific reports to an interagency FFIEC report is expected to be a seamless change for institutions with \$10 to \$50 billion in assets currently reporting annual Dodd-Frank Act stress-testing information. The change also would ensure that future collections of this information remain uniform across the agencies.

The proposed FFIEC 016 report form would take effect as of December 31, 2017. The first annual filing deadline for the FFIEC 016 report form would be July 31, 2018.

II. Request for Comment

Public comment is requested on all aspects of this joint notice. Comments are invited on:

- (a) Whether the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- (b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and
- (e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide the information.

Comments submitted in response to the joint notice will be shared among the agencies. All comments will become a matter of public record.

Dated: October 2, 2017.

Karen Solomon,
Deputy Chief Counsel,
Office of the Comptroller of the Currency.

Board of Governors of the Federal Reserve System, September 29, 2017.

Ann E. Misback,
Secretary of the Board.

Dated at Washington, D.C., this 27th day of September, 2017.

Federal Deposit Insurance Corporation.

Robert E. Feldman,
Executive Secretary.

Billing Codes

OCC: 4810-33-P 1/3

Board: 6210-01-P 1/3

FDIC: 6714-01-P 1/3

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